



MEDI-CAL UPDATE

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Medi-Cal List of Contract Drugs

The following provider manual sections have been updated: *Drugs: Contract Drugs List Part 1 – Prescription Drugs* and *Contract Drugs List Part 4 – Therapeutic Classifications*.

Additions, effective November 1, 2005

<u>Drug</u>	<u>Size and/or Strength</u>	<u>Billing Unit</u>
<u>ALENDRONATE</u> <u>SODIUM/CHOLECALCIFEROL</u> + <u>Tablets</u>	<u>70 mg/2800 IU</u>	<u>ea</u>
<u>LOTEPREDNOL</u> <u>ETABONATE/TOBRAMYCIN</u> <u>Ophthalmic suspension</u>	<u>0.5 %/0.3 %</u>	<u>ml</u>

Changes, effective November 1, 2005

<u>Drug</u>	<u>Size and/or Strength</u>	<u>Billing Unit</u>
ALENDRONATE SODIUM <u>Oral solution</u> + Tablets	<u>70 mg/75 cc</u> 5 mg 10 mg 35 mg 40 mg 70 mg	<u>cc</u> ea ea ea ea ea

+ Frequency of billing requirement

Please see Contract Drugs, page 3

EDS/MEDI-CAL HOTLINES

Telephone Service Center (TSC) 1-800-541-5555
 DHS Medi-Cal Fraud Hotline..... 1-800-822-6222
 Border Providers (916) 636-1200
 Provider Telecommunications Network (PTN)..... 1-800-786-4346

For a complete listing of specialty programs and hours of operation, please refer to the Medi-Cal Directory in the provider manual.

Stop Illegal Tobacco Sales

The simplest way to stop illegal tobacco sales to minors is for merchants to check ID and verify the age of the tobacco purchasers. Report illegal tobacco sales to 1-800-5-ASK-4-ID.

For more information, see the Department of Health Services Web site at <http://www.dhs.ca.gov>.

MEDI-CAL FRAUD IS AGAINST THE LAW

MEDI-CAL FRAUD COSTS TAXPAYERS MILLIONS
EACH YEAR AND CAN ENDANGER
THE HEALTH OF CALIFORNIANS.

HELP PROTECT MEDI-CAL AND YOURSELF
BY REPORTING YOUR OBSERVATIONS TODAY.

DHS MEDI-CAL FRAUD HOTLINE
1-800-822-6222

THE CALL IS FREE AND YOU CAN REMAIN ANONYMOUS.

Knowingly participating in fraudulent activities can result in prosecution and jail time. Help prevent Medi-Cal fraud.

Contract Drugs (*continued*)**Changes, effective November 1, 2005**

Drug	Size and/or Strength		Billing Unit
CLINDAMYCIN PHOSPHATE			
‡ Injection	150 mg/cc	2 cc	cc
		4 cc	cc
		6 cc	cc
		60 cc	cc
<u>Vaginal cream</u>	<u>2 %</u>	<u>5.8 Gm</u>	<u>Gm</u>
Topical solution	1 %	60 cc	cc
IRBESARTAN AND HYDROCHLOROTHIAZIDE			
+ Tablets	150 mg – 12.5 mç		ea
	300 mg – 12.5 mç		
	<u>300 mg – 25 mg</u>		<u>ea</u>
‡ * ZIDOVUDINE			
Tablets	300 mg		ea
Capsules	100 mg		ea
Liquid	50 mg/5cc		cc
Injection	10 mg/cc		cc
* Restricted to use as combination therapy in the treatment of Human Immunodeficiency Virus (HIV) infection.			
<u>(NDC labeler code 00173 [GlaxoSmithKline] only.</u>			

Changes, effective January 1, 2006

<u>Drug</u>	<u>Size and/or Strength</u>		<u>Billing Unit</u>
CLINDAMYCIN PHOSPHATE			
* Vaginal cream	2 %	40 Gm	Gm
* <u>Prior authorization always required.</u>			
* Vaginal suppositories		1 Gm	3's ea
* <u>Prior authorization always required.</u>			

+ Frequency of billing requirement

These updates are reflected on manual replacement pages drugs cdl p1a 4 and 31 (Part 2), drugs cdl p1b 32 and 43 (Part 2) and drugs cdl p1d 23 (Part 2).

Intermittent Catheters with Attached Collection Bags Restriction Update

Effective for dates of service on or after December 1, 2005, the Code 1 restriction for Astra Tech and Coloplast products billed with code 9943N (Intermittent catheters with attached collection bags) is limited to patients 18 years of age and under. *This information is reflected on manual replacement pages mc sup 1st 8 and 10 (Part 2).*

Secondary Diagnosis Codes for Incontinence Supply Products Updates

The following updates for billing incontinence supply products are effective for dates of service on or after December 1, 2005:

- ICD-9 code 788.38 (overflow incontinence) is added to the list of codes accepted as the secondary diagnosis.
- ICD-9 code 788.3 (urinary incontinence) is removed from the list of acceptable secondary diagnosis codes, and will be denied if included on claims.

The updated information is reflected on manual replacement pages [hcfa comp 13](#) (Part 2).

Provider Certification Statement Requirement

Providers were informed in a recent *Medi-Cal Update* that medical supply claims submitted with invoices containing disclaimers that affect Medicare/Medi-Cal reimbursement or with insufficient pricing documentation would be denied.

In accordance with this policy, providers are required to submit a self-certification that the invoice pricing on a medical supply claim is accurate and does not contain hidden charges that are not billable to Medi-Cal. The ability to self-certify allows providers to submit invoices with claims that the Department of Health Services would otherwise reject as invalid. Providers are not required to include this certification on every invoice, only those that contain statements mentioning added charges, fees, cost to invoice prices, or otherwise state that charges or fees included on the invoice may be hidden.

Providers are required to include the following certification statement written exactly as follows:

“I certify that I have properly disclosed and appropriately reflected a discount or other reduction in price obtained from a manufacturer or wholesaler in the costs claimed or charges on this invoice identified by item number _____ as stated in 42 U.S.C. 1320a-7b(b)(3)(A) of the Social Security Act and this charge does not exceed the upper billing limit as established in the *California Code of Regulations* (CCR), Title 22, Section 51008.1 (a)(2)(D).”

This information is reflected on manual replacement page [mc sup 3](#) (Part 2).



DRUG USE REVIEW *Educational Information*

Appropriate Drug Billing Unit Standards for Medi-Cal

Each time a drug is billed to Medi-Cal, the claim must state how much of the drug was provided. Knowing which unit measurement to use allows for proper reimbursement and decreases the likelihood of the provider being under- or over-paid. This article summarizes the National Council on Prescription Drug Programs (NCPDP) Billing Unit Standards, provides examples of common billing unit errors, and briefly discusses how physicians and clinics bill for drugs.

I. Pharmacies

Pharmacy claims follow a standard set of rules established by NCPDP. These rules are summarized below.

Table 1: Adapted from NCPDP Billing Unit Standards Version 2.0

Dose Form	Proper Unit of Measurement
<ul style="list-style-type: none"> • Tablet (including convenience packs or oral contraceptive packs) • Capsule (including convenience packs) • Transdermal Patch • Suppository • Non-filled Hypodermic Syringe 	<ul style="list-style-type: none"> • <u>Each</u> Tablet • <u>Each</u> Capsule • <u>Each</u> Transdermal Patch • <u>Each</u> Suppository • <u>Each</u> Non-filled Hypodermic Syringe

*Please see **Appropriate Drug Billing Unit Standards**, page 5*

Appropriate Drug Billing Unit Standards (*continued*)

Dose Form	Proper Unit of Measurement
<ul style="list-style-type: none"> • Kit • Powder Packet • Vial with Powder • Non-drug Products (test strips, swabs, alcohol wipes) • Tape 	<ul style="list-style-type: none"> • <u>Each</u> Kit • <u>Each</u> Powder Packet • <u>Each</u> Vial with Powder • <u>Each</u> actual non-drug item in the container • <u>Each</u> Tape
<ul style="list-style-type: none"> • Liquid (elixir, syrup, ophthalmic/otic liquids, bulk liquids, etc.) • Reconstitutables (the volume in the container after the powder has been reconstituted into a liquid) • Liquid Pre-filled Syringes • Vial/Ampule with Liquid • Inhalers, Nebulized Solutions (<u>when labeled as mL on product</u>) 	<ul style="list-style-type: none"> • mL or cc <ul style="list-style-type: none"> ➤ in the exact metric quantity, <u>not</u> rounded off
<ul style="list-style-type: none"> • Solid (ointment, cream, bulk powder, etc.) • Inhalers (when labeled as mcg, mg or gm on product) 	<ul style="list-style-type: none"> • gm <ul style="list-style-type: none"> ➤ in the exact metric quantity, <u>not</u> rounded off to whole numbers ➤ mcg is converted to gm

Exceptions to NCPDP Billing Unit Standards

The following products are current exceptions to the general rules regarding billing unit standards. These products must be billed in units measured per each or eaches.

- EpiPen *1 each*
- Imitrex Kit Refill *1 each*
- Prevpac *14 eaches*
- Helidac *56 eaches*
- Pravigard *30 eaches*

Inhalers: As stated in the rules, use the unit of measurement listed on the product. If both volume and weight are listed on the product, then use the first unit listed. For example, if the package states “14 gm (10 mL),” then 14 grams is used. If the product weight is listed in terms of mcg or mg, the billing unit is converted to gm. Please note that Pulmicort Turbuhaler is an exception to this rule and is billed as “each.”

Rounding Off: Do not round off. If the quantity is not a whole number, then submit the quantity in the metric decimal form. For example, a 3.5 gm tube of ointment should be expressed as 3.500, rather than rounding to 4. Do not include measurement units such as gm or cc. For more information on rounding, see the *Pharmacy Claim Form (30-1) Completion* section in the provider manual.

Please see Appropriate Drug Billing Unit Standards, page 6

Appropriate Drug Billing Unit Standards (*continued*)

Kits: A kit must be billed as each kit rather than as separate components or according to units of measurement. Kits have at least two different items in the same package, intended for dispensing as a unit, and the kit has a single NDC number. The two items may or may not be drugs. Below are three different types of kits:

1. Two drug items that each have a different billing unit standard (example: tablet and liquid)
2. One drug plus alcohol swab or cotton (example: Copaxone)
3. Meter plus test strips

Proprietary Computer Systems: Some computer systems convert the units that an operator enters. For example, a “1” is entered for a four-ounce bottle of cough syrup and the computer system converts it to “120” because the bottle size is 120mL. Medi-Cal has identified claims submitted for 14,400 units (mL) because the quantity entered was “120” and the pharmacy’s computer multiplied that by 120 for a total of 14,400 mL.

Table 2: Examples of Erroneous Billing

Quantity Dispensed	Examples of Erroneous Billing	Type of Error	Correct Billing Unit
Duragesic 50 mcg/hr Patches 1 box, 5 patches per box	“10” for 10 days supply	Over-billing	5 patches
	“1” for 1 box	Under-billing	5 patches
Augmentin 200mg/28.5 mg/5mL Suspension 1 bottle of 100 mL	“200” for 200 mg	Over-billing	100 mL
	“1” for 1 bottle	Under-billing	100 mL
Lovenox 30mg/0.3mL Pre-Filled Syringes 12 syringes of 0.3 mL	“12” for 12 pre-filled syringes	Over-billing	3.6 mL
	“4” for 3.6 mL rounded up to the nearest whole number	Over-billing	3.6 mL
Humalog 100U/mL 1 vial of 10 mL	“1” for 1 vial	Under-billing	10 mL
	“1000” for 1000 units	Over-billing	10 mL
Copaxone Pre-Filled Syringe Solution for Injection Kit 1 box (kit) of 30 pre-filled syringes	“30” for 30 pre-filled syringes	Over-billing	1 kit
	“30” for 30 mL (1 mL per pre-filled syringe)	Over-billing	1 kit

II. Physicians and Clinics**Injection Codes**

There are codes for claims submitted by physicians and clinics for drugs administered to recipients. These codes do not necessarily follow NCPDP rules. Therefore, providers must look up the product in the list of codes for injections in the appropriate Part 2 provider manual. The injection codes are also listed in the following two ways:

1. Injection codes are listed in the *Injections: List of Codes* section of the appropriate Part 2 provider manual.
2. Injection codes may also be found on the Medi-Cal Web site, www.medi-cal.ca.gov. Go to the “Provider Manuals” section located on the right side of the Medi-Cal Web site home page. Click “Inpatient/Outpatient.” On the “Inpatient/Outpatient Provider Manual” page, locate the link for the appropriate Part 2 provider manual. Click on that link. Scroll down the provider manual subject list until you find the link for “Injections: List of Codes.” Click the link to view the list of injection codes.

Please see Appropriate Drug Billing Unit Standards, page 7

Appropriate Drug Billing Unit Standards *(continued)***Physician and Office-Administered Injection Pricing**

The maximum amount payable for the first unit is the cost of the drug plus an administration fee. For quantities greater than one unit, the cost of the additional units is added to the amount payable for the first unit. The price per unit published by Medi-Cal is the price for the first unit (including the administration fee).

Providers may look up current Medi-Cal maximum reimbursement rates on the Medi-Cal Web site, www.medi-cal.ca.gov. Go to the “Provider Reference” section on the left-hand side of the home page. Click “Medi-Cal Rates.” On the “Medi-Cal Rates” page, either click “Download All Medi-Cal Rates” or “View Medi-Cal Rates by Procedure Code.” To search rates by procedure code, click the link displaying the code range with the code you are searching for.

Conclusion

Incorrect billing practices generate erroneous payments and skew utilization information, which may trigger an audit review of provider claims and/or an investigation into possible fraudulent activity. To avoid these outcomes and to increase the likelihood of correct claims processing and payment, providers should pay close attention to drug billing unit standards when they submit claims for reimbursement.

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Remove and replace:

- drugs cdl p1a: 3/4, 31/32
- drugs cdl p1b: 31/32, 43/44
- drugs cdl p1d: 23
- drugs cdl p4: 15 thru 18
- hcfa comp 13/14
- mc sup 3/4
- mc sup ex 3 thru 6 *
- mc sup lst4 7 thru 10